

ORIGINAL



0000013500

BEFORE THE ARIZONA CORPORATION COMMISSION

535

COMMISSIONERS

2004 OCT 25 P 4: 30

Arizona Corporation Commission

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED

OCT 25 2004

DOCKETED BY

CA

In the matter of:

DOCKET NO. S-03557A-04 0000

LONZO ARCHER, 1512 Plymouth Road
N., Brunswick, NJ 08902; CRD No.
1979672

SECURITIES DIVISION'S LIST OF
WITNESSES AND EXHIBITS

Respondent

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission")
submits the following list of witnesses and exhibits intended to be presented at the hearing in this
matter:

WITNESSES:

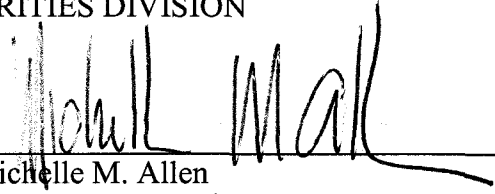
1. Alan Walker, Arizona Corporation Commission Securities Division, 1300 West
Washington, 3rd Floor, Phoenix, AZ 85007. (602) 542-4242.

EXHIBITS

1. Certificates of Registration as Dealer or Salesperson for Lonzo Archer.
2. Certified copy of State of Washington Department of Financial Institutions signed
an *Entry of Finding of Fact and Conclusions of Law and Final Order Revoking Registration,*
Imposing Fine and Ordering Disgorgement.

DATED this 25th day of October, 2004.

ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

By 
Michelle M. Allen
Attorney for Securities Division

ORIGINAL of the foregoing
FILED this 25th day of
October, 2004, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing
mailed/delivered this 25th day of
October, 2004, to:

Hon. Marc E. Stern
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Anthony Bingham
Law Office of Anthony B. Bingham, P.C.
1423 South Higley Road
Building 4, Suite 110
Mesa, AZ 85206
Attorney for Respondent

Michael Kalmus
Michael Kalmus, P.C.
850 Third Avenue, 14th Floor
New York, NY 10022
Attorney for Respondent

By 

Exhibit 1

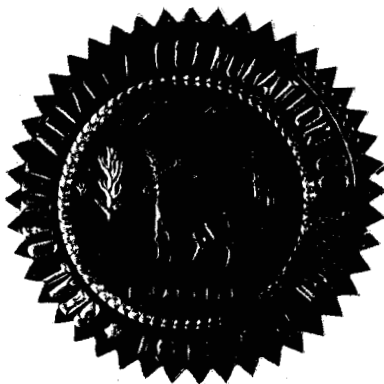
STATE OF ARIZONA



Corporation Commission

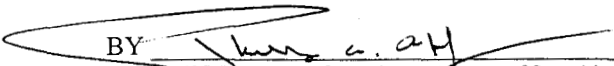
To All to Whom these Presents shall Come, Greeting:

I, PHILLIP HOFLING, Assistant Director of Securities of the Arizona Corporation Commission, do hereby certify that I am a public officer having official duties with said Commission and having legal custody of the records of said Division and that I have caused to be made, under my direction, a diligent search of the records of the Securities Division of the Arizona Corporation Commission and said search discloses that during the period of January 1, 2003 to October 25, 2004, Lonzo Archer has been registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or been licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)



IN WITNESS WHEREOF, I HAVE HEREUNTO SET
MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE
ARIZONA CORPORATION COMMISSION, AT THE
CAPITOL, IN THE CITY OF PHOENIX, THIS 25th DAY
OF OCTOBER A.D.

BY


PHILLIP HOFLING, Assistant Director of Securities

CERTIFICATION OF REGISTRATION / NON-REGISTRATION FILE SEARCH VERIFICATION

Lonzo Archer

NAME OF INDIVIDUAL OR ENTITY

DATE OF BIRTH: 12/28/1964

SOCIAL SECURITY NUMBER: 061-58-3468

Michelle Allen, Arizona Corporation Commission, Securities Division

INDIVIDUAL OR AGENCY REQUESTING CERTIFICATE

TIME PERIOD OF SEARCH: FROM 01/01/2003 TO 10/25/2004

ATTACH THIS COMPLETED FORM TO OFFICE COPY OF CERTIFICATE	RESEARCHER #1	RESEARCHER #2
WEB CRD (searches the IARD simultaneously) -"INDIVIDUAL" and/or "ORGANIZATION" Search Always check an individual's Legacy Information. Registration records more than 10 years old may <u>not</u> be on an individual's Web CRD record. ALSO --Email or call the NASD re any "blank" records you get--it is likely the individual's registration record was archived if all you get is his "Composite" information or "Disclosure" record searching here. (Phone: 240-386-4205. Email address: statedesk@nasd.com .) -"INDIVIDUAL" and/or "ORGANIZATION" Disclosure Only Search	#1979672 (CRD Individual / Organiz) NA (IARD Organization) Yes, see attached (Disclosure Only Indiv / Org)	#1979672 (CRD Individual / Organiz) NA (IARD Organization) Yes, see attached (Disclosure Only Indiv / Org)
STAR * (deselect "Registered Only") Searching by "Entity Name" will check all securities, dealers, investment advisers, ** and no-action letters (if you get a hit on a no-action letter, get the details on the No Action Letter database mentioned below). Searching by "Contact Name" checks all non-NASD salesmen and investment adviser representatives. *If you get a hit on STAR for any file stamp-dated prior to January 31, 2000, double check the registration dates on the SEC/Dealer Query in the "view history" screen (not the first screen). **Check the "Financial" tab to determine whether it's a "State" (licensee) or "Federal" (notice filer) investment adviser.	N/A (Entity Name) Negative (Contact Name)	N/A (Entity Name) Negative (Contact Name)
VIATICAL FILINGS (see Susan Baker-Toth of Registration & Compliance)	Negative	Negative
NO-ACTION LETTERS database (in Securities Div Applications folder)	Negative	Negative
FORM D (PRE-1989) Green cards & microfiche indexing old Form D filings	Negative	Negative
KARDVEYOR (PRE-1986 filings) microfilm	Negative	Negative
REGISTRATION BOOKS PRE-1984 salesmen PRE-1984 inactive salesmen	Negative	Negative

Alan Walker

Signature of Researcher #1

10/25/2004

Date

Susan A Baker Toth

Susan Baker-Toth

(Signature required if information is located on the CRD / IARD)

Signature of Researcher #2

10/25/04

Date

Oct. 25, 2004

Date

Composite Information

Individual CRD#: 1979672		Individual Name: ARCHER, LONZO	
Please note that data contained in the COMPOSITE INFORMATION SCREEN reflects Employment that was accurate as of the filing of a fingerprint card for a non-registered individual. This data may or may not reflect the current employment status of this individual with the firm(s) identified in Employment .			
Full Legal Name:	ARCHER, LONZO		
Social Security #:	061-58-3468		
Date Of Birth:	12/28/1964		
Employment	Name	FIRST MONTAUK SECURITIES CORP. (13755)	
	Address	106 APPLE STREET SUITE #306 TINTON FALLS, NJ 07724	
	Position	Registered Representative	
	Name	GRUNTAL & CO., L.L.C. (372)	
	Address	ONE LIBERTY PLAZA NEW YORK, NY 10006-1487	
	Position	Non-Registered Fingerprint Person	
Residential Address	1512 PLYMOUTH ROAD N. BRUNSWICK, NJ 08902		
Reportable Disclosures?	Yes		
Statutory Disqualification Status	Clear		
Has Material Difference in Disclosure?	No		
Current CE Status	Satisfied		
Disclosure Counts - Current Disclosures	Criminal	Regulatory Action	Customer Complaint
	0	1	2
Disclosure Counts - Historical Disclosures	Criminal	Regulatory Action	Customer Complaint
	0	0	2
			Other
			0

Current Disclosure Summary

Individual CRD#: 1979672	Individual Name: ARCHER, LONZO
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Occurrence	Reportable/ Disclosable		Material Difference in Disclosure	Composite		Event Date	First Reported	Final Resolution	Questions Answered
	Yes	No		Filing					
Customer Complaint (272152)	Yes	No		U5-AMENDMENT Customer Complaint 08/12/2002 NASD		03/12/1998	07/07/1999		
				U4-AMENDMENT Customer Complaint 08/12/2002 NASD		03/12/1998	07/06/1999	03/12/1998	14I(2)
	Yes	No		U4-AMENDMENT Customer Complaint 11/26/2002 FIRST MONTAUK SECURITIES CORP. (13755)		11/01/2002	11/26/2002		14I(3)(a)
Internal Review (607254)	Yes	No		U5-AMENDMENT Internal Review 10/06/1999 NASD		05/17/1995	10/06/1999	12/31/1995	15
Regulatory Action (1173725)	Yes	No		U6-REGINDVL Regulatory Action 01/29/2004 WA		12/19/2003	12/19/2003	01/27/2004	
				U4-AMENDMENT Regulatory Action 02/09/2004 FIRST MONTAUK SECURITIES CORP. (13755)		12/19/2003	02/09/2004	01/27/2004	14D(1)(b),14D(1) (d),14D(1)(e),14G (1)
	Yes	No		U4-AMENDMENT Termination 09/23/1999 NORTHBRIDGE CAPITAL		05/17/1995	07/06/1999	05/17/1995	23J(2)

[illegible]

Registrations Summary

Individual CRD#: 1979672	Individual Name: ARCHER, LONZO
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Current Firm(s):

Registrations Summary With Current Employers

Firm Name	Firm CRD	Start Date	IARD Regs.	CRD Regs.	SFG Member
FIRST MONTAUK SECURITIES CORP.	13755	08/2002	N	Y	N

Prior Firm(s):

Registrations Summary With Prior Employers

Firm Name	Firm CRD	Start Date	End Date	IARD Regs.	CRD Regs.	SFG Member
MANTIS SECURITIES, INC.	104019	09/2000	08/2002	N	N	N
NORTHRIDGE CAPITAL CORPORATION	16467	08/1999	08/2000	N	N	N
G.F.B. SECURITIES, INC.	36381	03/1998	08/1999	N	N	N
WILLIAM SCOTT & CO. L.L.C.	14979	12/1996	03/1998	N	N	N
RICKEL & ASSOCIATES, INC.	7839	02/1996	12/1996	N	N	N
RAS SECURITIES CORP.	28212	05/1995	02/1996	N	N	N
GLOBAL EQUITIES GROUP INC	34039	04/1995	05/1995	N	N	N
A. T. BROD & CO. INC.	1319	06/1994	03/1995	N	N	N
S. D. COHN & CO., INC.	27827	02/1994	06/1994	N	N	N
WESTFIELD FINANCIAL CORPORATION	8143	06/1993	02/1994	N	N	N
FIRST HANOVER SECURITIES, INC.	14469	10/1992	01/1993	N	N	N
PRUDENTIAL SECURITIES INCORPORATED	7471	02/1992	10/1992	N	N	N
GKN SECURITIES CORP.	19415	01/1991	03/1991	N	N	N
R.H.DAMON & CO., INC.	23091	04/1990	01/1991	N	N	N
BARRETT DAY SECURITIES, INC.	17717	08/1989	01/1990	N	N	N

[Back to Top](#)

Registrations with Current Employers

Firm CRD # : 13755	Firm Name : FIRST MONTAUK SECURITIES CORP.
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Employment Start Date	08/12/2002
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Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	08/12/2002	08/16/2002	APPROVED	08/12/2002	N
AZ	AG	08/12/2002	09/11/2002	APPROVED	08/12/2002	N
NJ	AG	08/12/2002	09/11/2002	APPROVED	08/12/2002	N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
PCX	GS	09/27/2004	10/06/2004	T NOU5	09/27/2004	N
AL	AG	08/16/2002	08/30/2002	APPROVED	08/30/2002	N
CA	AG	08/12/2002	08/12/2002	APPROVED	08/12/2002	N
CO	AG	08/12/2002	09/19/2002	T NOREG		N
CT	AG	08/12/2002	09/11/2002	APPROVED	08/12/2002	N
FL	AG	08/12/2002	08/13/2002	APPROVED	08/12/2002	N
GA	AG	05/20/2003	05/27/2003	APPROVED	05/27/2003	N
IA	AG	08/12/2002	08/14/2002	APPROVED	08/12/2002	N
IL	AG	05/20/2003	05/20/2003	APPROVED	05/20/2003	N
IN	AG	05/20/2003	08/19/2003	T NOREG		N
KY	AG	08/12/2002	08/13/2002	APPROVED	08/12/2002	N
LA	AG	05/20/2003	05/20/2003	APPROVED	05/20/2003	N
MA	AG	11/19/2002	12/02/2002	APPROVED	12/02/2002	N
MI	AG	08/22/2002	09/11/2002	APPROVED	08/22/2002	N
MN	AG	08/12/2002	09/05/2002	APPROVED	08/12/2002	N
MO	AG	09/02/2004	09/27/2004	T NOREG		N

10/25/2004

Firm CRD # : 16467	Firm Name : NORTHRIDGE CAPITAL CORPORATION
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Employment Start Date	08/11/1999
Employment End Date	08/21/2000
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	NORTHRIDGE CAPITAL CORPORATION

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	08/30/1999	08/21/2000	TERMED	09/23/1999	N
NJ	AG	08/30/1999	08/21/2000	TERMED	09/23/1999	N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
CA	AG	04/26/2000	08/21/2000	TERMED	05/02/2000	N
CT	AG	04/26/2000	08/21/2000	TERMED	05/02/2000	N
FL	AG	08/30/1999	08/21/2000	TERMED	09/23/1999	N
IA	AG	04/26/2000	08/21/2000	TERMED	05/02/2000	N
IL	AG	04/26/2000	08/21/2000	TERMED	05/16/2000	N
MA	AG	04/26/2000	08/21/2000	TERMED	05/24/2000	N
MI	AG	04/26/2000	08/21/2000	TERMED	05/08/2000	N
NC	AG	08/30/1999	08/21/2000	TERMED	09/23/1999	N
NY	AG	08/30/1999	08/21/2000	TERMED	09/23/1999	N
OH	AG	04/26/2000	08/21/2000	TERMED	05/04/2000	N
PA	AG	08/30/1999	08/21/2000	TERMED	09/23/1999	N
RI	AG	04/26/2000	08/21/2000	TERMED	05/02/2000	N
SC	AG	08/30/1999	11/10/1999	T_NOREG		N
TX	AG	04/26/2000	08/21/2000	TERMED	05/04/2000	N
VA	AG	04/26/2000	08/21/2000	TERMED	05/02/2000	N

[Back to Top](#)**Registrations with Prior Employers**

Firm CRD # : 36381	Firm Name : G.F.B. SECURITIES, INC.
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Employment Start Date	03/16/1998
Employment End Date	08/10/1999
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	G.F.B. SECURITIES, INC.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	07/05/1999	09/09/1999	TERMED	05/22/1998	N
NJ	AG	07/05/1999	09/09/1999	TERMED	06/04/1998	N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
CA	AG	07/05/1999	09/09/1999	TERMED	05/22/1998	N
CT	AG	07/05/1999	09/09/1999	TERMED	06/05/1998	N
FL	AG	07/05/1999	09/09/1999	TERMED	05/27/1998	N
IA	AG	07/05/1999	09/09/1999	TERMED	01/14/1999	N
IL	AG	07/05/1999	09/09/1999	TERMED	06/02/1998	N
NC	AG	07/05/1999	09/09/1999	TERMED	04/29/1999	N
NY	AG	07/05/1999	09/09/1999	TERMED	06/08/1998	N
PA	AG	07/05/1999	09/09/1999	TERMED	05/22/1998	N
RI	AG	07/05/1999	09/09/1999	TERMED	12/14/1998	N

[Back to Top](#)**Registrations with Prior Employers**

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
AR	AG	07/05/1999	04/03/1996	T_NOREG		N
CA	AG	07/05/1999	12/23/1996	TERMED	03/18/1996	N
CO	AG	07/05/1999	12/23/1996	TERMED	03/19/1996	N
CT	AG	07/05/1999	12/23/1996	TERMED	03/21/1996	N
FL	AG	07/05/1999	12/23/1996	TERMED	03/21/1996	N
GA	AG	07/05/1999	12/23/1996	TERMED	03/20/1996	N
IA	AG	07/05/1999	12/23/1996	TERMED	05/07/1996	N
IL	AG	07/05/1999	12/23/1996	TERMED	03/25/1996	N
IN	AG	07/05/1999	12/23/1996	TERMED	03/29/1996	N
KS	AG	07/05/1999	12/23/1996	TERMED	03/26/1996	N
LA	AG	07/05/1999	12/23/1996	TERMED	05/13/1996	N
MA	AG	07/05/1999	12/23/1996	TERMED	12/09/1996	N
MI	AG	07/05/1999	12/23/1996	TERMED	03/26/1996	N
MO	AG	07/05/1999	12/23/1996	T_NOREG		N
MS	AG	07/05/1999	12/23/1996	TERMED	03/18/1996	N
NC	AG	07/05/1999	12/23/1996	TERMED	03/27/1996	N
NY	AG	07/05/1999	12/23/1996	TERMED	05/03/1996	N
OH	AG	07/05/1999	12/23/1996	TERMED	12/05/1996	N
OK	AG	07/05/1999	12/23/1996	TERMED	03/19/1996	N
PA	AG	07/05/1999	12/23/1996	TERMED	03/21/1996	N
TX	AG	07/05/1999	12/23/1996	TERMED	03/19/1996	N
UT	AG	07/05/1999	12/23/1996	TERMED	11/22/1996	N
VA	AG	07/05/1999	12/23/1996	TERMED	03/18/1996	N
WA	AG	07/05/1999	12/23/1996	TERMED	03/27/1996	N
WI	AG	07/05/1999	12/23/1996	TERMED	03/19/1996	N
WV	AG	07/05/1999	12/23/1996	TERMED	12/04/1996	N

[Back to Top](#)**Registrations with Prior Employers**

Firm CRD # : 28212	Firm Name : FAB SECURITIES OF AMERICA, INC.
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Employment Start Date	05/18/1995
Employment End Date	02/20/1996
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	RAS SECURITIES CORP.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	07/05/1999	02/20/1996	TERMED	05/23/1995	N
AZ	AG	07/05/1999	02/20/1996	TERMED	09/26/1995	N
NJ	AG	07/05/1999	02/20/1996	TERMED	05/24/1995	N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
AL	AG	07/05/1999	02/20/1996	TERMED	08/18/1995	N
AR	AG	07/05/1999	02/20/1996	TERMED	10/10/1995	N
CA	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
CO	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
CT	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
DC	AG	07/05/1999	02/20/1996	TERMED	05/26/1995	N
DE	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
FL	AG	07/05/1999	02/20/1996	TERMED	05/31/1995	N
GA	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
IA	AG	07/05/1999	02/20/1996	TERMED	08/18/1995	N
ID	AG	07/05/1999	02/20/1996	TERMED	05/23/1995	N
IL	AG	07/05/1999	02/20/1996	TERMED	10/06/1995	N
IN	AG	07/05/1999	02/20/1996	TERMED	08/18/1995	N
KS	AG	07/05/1999	02/20/1996	TERMED	08/21/1995	N

MT	AG	07/05/1999	05/24/1995	TERMED	04/12/1995	N
NC	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
NE	AG	07/05/1999	05/24/1995	TERMED	04/12/1995	N
NM	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
NY	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
OK	AG	07/05/1999	05/24/1995	TERMED	05/17/1995	N
PA	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
RI	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
SD	AG	07/05/1999	05/24/1995	TERMED	04/12/1995	N
UT	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
VA	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
WA	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N
WI	AG	07/05/1999	05/24/1995	TERMED	04/03/1995	N

[Back to Top](#)**Registrations with Prior Employers**

Firm CRD # : 1319	Firm Name : A. T. BROD & CO. INC.
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Employment Start Date	06/21/1994
Employment End Date	03/30/1995
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	A. T. BROD & CO. INC.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GP	07/05/1999	04/04/1995	T_NOREG		N
NASD	GS	07/05/1999	04/04/1995	TERMED	06/22/1994	N
AZ	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
NJ	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NYSE	GS	07/05/1999	04/04/1995	TERMED	06/22/1994	N
CA	AG	07/05/1999	04/04/1995	TERMED	06/29/1994	N
CO	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
CT	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
DC	AG	07/05/1999	04/04/1995	TERMED	06/30/1994	N
FL	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
GA	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
IL	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
MA	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
MD	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
MN	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
NC	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
NM	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
NV	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
NY	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
OH	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
PA	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
RI	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
TX	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
UT	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
VA	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
WA	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N
WI	AG	07/05/1999	04/04/1995	TERMED	06/22/1994	N

[Back to Top](#)**Registrations with Prior Employers**

Firm CRD # : 27827	Firm Name : S. D. COHN & CO., INC.
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Registrations with Prior Employers

Firm CRD # : 14469	Firm Name : LCP CAPITAL CORP.
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Employment Start Date	10/27/1992
Employment End Date	01/14/1993
Reason for Termination	Voluntary
Termination Comment	Voluntary
Firm Name at Termination	FIRST HANOVER SECURITIES, INC.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	07/05/1999	01/20/1993	T_NOREG		N

[Back to Top](#)

Registrations with Prior Employers

Firm CRD # : 7471	Firm Name : PRUDENTIAL EQUITY GROUP, LLC
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Employment Start Date	02/18/1992
Employment End Date	10/13/1992
Reason for Termination	* Other
Termination Comment	
Firm Name at Termination	PRUDENTIAL SECURITIES INCORPORATED

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	GS	07/05/1999	11/03/1992	T_NOREG		N

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
PCX	GS	07/05/1999	11/03/1992	T_NOREG		N

[Back to Top](#)

Registrations with Prior Employers

Firm CRD # : 19415	Firm Name : GKN SECURITIES CORP.
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Employment Start Date	01/01/1991
Employment End Date	03/01/1991
Reason for Termination	Voluntary
Termination Comment	Voluntary
Firm Name at Termination	GKN SECURITIES CORP.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
NASD	CS	07/05/1999	09/16/1991	PURGED		N

[Back to Top](#)

Registrations with Prior Employers

Firm CRD # : 23091	Firm Name : R.H.DAMON & CO., INC.
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Employment Start Date	04/01/1990
Employment End Date	01/01/1991
Reason for Termination	Voluntary
Termination Comment	Voluntary
Firm Name at Termination	R.H.DAMON & CO., INC.

Regulatory Authority	Registration	Filing Date	Status Date	Registration Status	Approval Date	Registration Status Note
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10/25/2004

Exhibit 2

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

I certify that this is a true copy of
a record on file in the Department
of Financial Institutions of the
State of Washington.

15 day of APRIL, 20 04
Signature, Authorized Representative

IN THE MATTER OF DETERMINING
whether there has been a violation of the
Securities Act of Washington by:

LONZO ARCHER,

Respondent.

Order No. S-03-029-04-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER REVOKING REGISTRATION,
IMPOSING FINE AND ORDERING
DISGORGEMENT

THE STATE OF WASHINGTON TO:

Lonzo Archer, CRD #1979672
655 Third Avenue, 14th Floor
Room 1416-1420
New York, NY 10017

INTRODUCTION

On December 19, 2003, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter an Order to Revoke Registrations, Impose Fines, Charge Costs, and Order Disgorgement order number S-03-029-03-SC01, hereinafter referred to as the "Statement of Charges", against Respondent Lonzo Archer. On December 29, 2003, the Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing"), was served via certified mail on Lonzo Archer. The Notice of Opportunity for Hearing advised Lonzo Archer that he had twenty days from the date he received the notice to file a written application for an adjudicative hearing on the Statement of Charges. The Statement of Charges further advised that if Lonzo Archer did not request a hearing, the Securities Administrator intended to adopt the

ENTRY OF FINDINGS OF FACT AND CONCLUSIONS OF
LAW AND FINAL ORDER REVOKING REGISTRATION,
IMPOSING FINE AND ORDERING DISGORGEMENT

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 Tentative Findings of Fact and Conclusions of Law set forth in the Statement of Charges as final, revoke
2 Lonzo Archer's registration, impose the fine sought, and order disgorgement.

3 Lonzo Archer failed to request an adjudicative hearing within twenty days of his receipt of the
4 Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided
5 or otherwise.

6 The Securities Administrator therefore adopts as final the findings of fact and conclusions of law
7 as set forth in the Statement of Charges. The Securities Administrator finds as follows:

8 FINDINGS OF FACT

9 RESPONDENT

10 1. Lonzo Archer ("Archer") is a securities salesperson with First Montauk Securities Corp.
11 ("First Montauk Securities") and has been employed there since August 2002. He has been registered as
12 a securities salesperson with the Washington State Securities Division since February 2001, and was
13 previously so registered from February 1994 to April 1998. Archer was employed by Mantis Securities,
14 Inc. ("Mantis Securities") as a securities salesperson from September 2000 to August 2002.¹ Prior to
15 that, Archer was employed as a securities salesperson for fourteen different broker-dealers in eleven
16 years, including Northridge Capital Corporation from August 1999 to August 2000, G.F.B. Securities,
17 Inc. from March 1998 to August 1999, William Scott & Co. L.L.C from December 1996 to March 1998,
18 Rickel & Associates, Inc. from February 1996 to December 1996, FAB Securities of America, Inc. from
19 May 1995 to February 1996, Global Equities Group Inc. from April 1995 to May 1995, A.T. Brod & Co.
20 Inc. from June 1994 to March 1995, S.D. Cohn & Co., Inc. from February 1994 to June 1994, Westfield
21
22

1 Financial Corporation from June 1993 to February 1994, LCP Capital Corp. from October 1992 to
2 January 1993, Prudential Equity Group, Inc. from February 1992 to October 1992, GKN Securities Corp.
3 from January 1991 to March 1991, R.H. Damon & Co., Inc. from April 1990 to January 1991, and
4 Barrett Day Securities, Inc. from August 1989 to January 1990. Archer currently resides in New
5 Brunswick, New Jersey.

6 NATURE OF RESPONDENT'S CONDUCT

7 2. Burt S. and Virginia S.² ("Burt and Virginia") are Washington residents, ages sixty-six and
8 fifty-seven, respectively.

9 3. Burt received an unsolicited telephone call from Lonzo Archer ("Archer") of Mantis
10 Securities in approximately February of 2001. Archer offered his services as a securities salesperson.
11 Burt was initially not interested in opening an account with Archer. Archer then mentioned a number of
12 stocks he was recommending and asked Burt to track their performance. Archer phoned Burt again
13 several times over the next few months to ask if he had followed the stocks, which had performed well.
14 Because the stocks Archer had told Burt to track had done well, Burt gained confidence in Archer's
15 ability to manage his investments. Burt decided to open an account with Mantis Securities and signed a
16 new account application in May 2001. Burt transferred a Roth individual retirement account (IRA)
17 account, hereinafter referred to as Account I, worth approximately \$42,000 to Mantis Securities in June
18 2001.

19 4. Burt and Virginia have minimal investment experience. Burt and Virginia had never
20

21 ¹ Mantis Securities withdrew their broker-dealer registration in the state of Washington on or about September 30, 2002.

22 ² The full names of the customers are omitted to protect their privacy.

1 directed their own investments until 1998. At that time, they purchased a few stocks, which they later
2 sold during the market correction of 2000. The bulk of their assets continued to be held in retirement
3 accounts that were not self-directed. Burt and Virginia's main investment objective was to supplement
4 their retirement savings. Speculation was not one of their investment objectives.

5 5. Upon opening the account, Archer agreed to obtain Burt's authorization prior to making
6 trades. Burt received his first trade confirmation in the mail from Mantis Securities in June of 2001, a
7 purchase of 3,000 shares of Mim Corp., a small-capitalization stock. Archer had not contacted Burt prior
8 to making the trade. Burt called Archer for an explanation. Archer explained that the market moved too
9 quickly to call about every trade. Subsequent to this conversation, Archer continued to make trades
10 without contacting Burt. In fact, Archer never contacted Burt prior to the purchase or sale of securities.
11 Burt would learn about the transactions through receipt of the trade confirmations in the mail from
12 Mantis Securities. If he wanted to speak with Archer to discuss his account, Burt had to initiate the
13 phone call.

14 6. From June 2001 to March 2002, Burt believed Archer's trading was profitable, as the value
15 of Account I had doubled. As a result, Burt and Virginia decided to transfer two of Virginia's accounts
16 to Mantis Securities. In March of 2002, they transferred a Roth IRA account of Virginia's, hereinafter
17 referred to as Account II, worth approximately \$100,000. In April of 2002, they also transferred a
18 Rollover IRA account of Virginia's, hereinafter referred to as Account III, worth approximately \$97,000.
19 Archer made trades in Virginia's accounts without contacting her. In fact, Virginia never spoke with
20 Archer.

21 7. At the time all three accounts had been transferred to Mantis Securities, Burt and Virginia's
22 annual income was approximately \$50,000 per year. The accounts represented over a quarter of their net

1 worth.

2 8. From June 1999 through September 2002, Archer bought approximately \$500,000 worth of
3 securities in Account I. From April 2002 through September 2002, Archer purchased approximately
4 \$91,000 worth of securities in Account II, and \$57,000 worth of securities in Account III. All of the
5 securities purchased by Archer were stocks. Further, virtually all the stocks purchased were low priced
6 small capitalization ("small cap") stocks.³ Investing in small-cap stocks involves substantial risk. Small-
7 cap stocks are companies that are usually less established and lack financial resources, so their stock
8 price tends to be highly volatile. By Archer's own admission, the companies he was recommending to
9 Burt and Virginia were "speculative and growth oriented."

10 9. From May 3, 2002 through May 28, 2002, Burt and Virginia were in Europe on vacation.
11 During this time period, they could not be contacted by telephone and in fact had no contact with Archer.
12 Archer made over a dozen trades during this time period.

13 10. As described above, Archer engaged in a heavy volume of trading in all three of Burt and
14 Virginia's accounts. Archer held most of the stocks he purchased in the accounts for only a few weeks or
15 months before selling them in order to purchase new stocks. This volume of trading generated excessive
16 commissions given the size of the accounts. From June 1999 to September 2002, Burt and Virginia paid
17 over \$35,000 in commissions for their three accounts. Simply to meet the expenses of maintaining the
18 account, Account I needed to produce an investment return of over 40%.⁴

19 11. Archer left Mantis Securities and became employed by First Montauk Securities in August
20

21 ³ For purposes of this Statement of Charges, a small-cap stock is defined as a stock with a market capitalization (number of shares outstanding multiplied by stock
22 price) of \$500 million or less.

1 of 2002. Burt and Virginia transferred their accounts to First Montauk Securities in early September
2 2002. Around this same time period, Burt and Virginia became extremely concerned about their
3 accounts, which had been rapidly declining in value over the last several months. Burt and Virginia were
4 especially concerned about Archer's excessive purchases of two small-cap stocks, Eagle Supply Group
5 Inc. and Advanced Environmental Recycling Technologies Inc. Beginning in February 2002 and
6 continuing through July 2002, Archer purchased a collective total of close to 50,000 shares of Eagle
7 Supply Group Inc. for close to \$150,000 in their three accounts. In March and April 2002, Archer
8 purchased a collective total of 14,500 shares of Advanced Environmental Recycling Technologies Inc.
9 for close to \$34,000 in their three accounts. At the time of these purchases, both stocks were trading for
10 between \$2 and \$4 per share.

11 12. Burt and Virginia decided to terminate their association with Archer and sent him a letter
12 dated October 1, 2002 asking him to cease trading. Burt and Virginia's accounts were then transferred to
13 J.B. Oxford & Company, the clearing brokerage firm for Mantis Securities. Burt directed all further
14 trading from this point forward. Burt and Virginia attempted to mitigate their losses by selling the
15 securities that Archer had purchased in their accounts. Burt and Virginia sold all the stock purchased by
16 Archer within a few months.

17 13. In addition to the \$35,000 in commissions they paid, Burt and Virginia also suffered
18 substantial losses in value during the short time period in which Archer controlled their accounts.
19 Account I lost approximately \$1,300, Account II lost approximately \$51,000, and Account III lost
20

21 ⁴ This return is calculated by dividing the commissions, margin interest, and other expenses paid by the average net equity of the account.
22

1 approximately \$66,000. Collectively, these losses account for approximately 54% of the funds Burt and
2 Virginia entrusted to Archer.

3 Based upon the above Findings of Fact, the following Conclusions of Law are made:

4 CONCLUSIONS OF LAW

5 1. The offer and/or sale of the stocks described above constitutes the offer and/or sale of a
6 security as defined in RCW 21.20.005(10) and (12).

7 2. Lonzo Archer, as described above, has willfully violated RCW 21.20.702 by
8 recommending the purchase and sale of securities to Burt and Virginia S. without reasonable grounds to
9 believe that the transactions were suitable for them. Such practice is grounds for the revocation of his
10 salesperson registration pursuant to RCW 21.20.110(1)(b), and for the imposition of fines pursuant to
11 RCW 21.20.110(1).

12 3. Lonzo Archer, as described above, has willfully violated RCW 21.20.035 by knowingly
13 effecting transactions in the accounts of Burt and Virginia S. that were excessive in size and frequency in
14 view of the financial resources and character of the accounts, and that were effected by reason of Burt
15 and Virginia S.'s trust and confidence in Archer. Such practice is grounds for the revocation of his
16 salesperson registration pursuant to RCW 21.20.110(1)(b), and for the imposition of fines pursuant to
17 RCW 21.20.110(1).

18 4. Lonzo Archer, as described above, engaged in one or more dishonest and unethical
19 practices in the securities business, as defined by WAC 460-22B-090(6), by inducing trades in the
20 accounts of Burt and Virginia S. that were excessive in size and frequency in view of the financial
21 resources and character of the accounts. Such practice is grounds for the revocation of his salesperson
22

1 registration pursuant to RCW 21.20.110(1)(g), and for the imposition of fines pursuant to RCW
2 21.20.110(1).

3 5. Lonzo Archer, as described above, engaged in one or more dishonest or unethical practices
4 in the securities business, as defined by WAC 460-22B-090(9), by exercising discretionary power in
5 effecting transactions for the accounts of Burt and Virginia S. without first obtaining written
6 discretionary authority from them. Such practice is grounds for the revocation of his salesperson
7 registration pursuant to RCW 21.20.110(1)(g), and for the imposition of fines pursuant to RCW
8 21.20.110(1).

9 **FINAL ORDER**

10 Based on the forgoing, NOW, THEREFORE IS HEREBY ORDERED that Lonzo Archer's
11 securities salesperson license shall be permanently revoked from the date of entry of this Order.

12 IT IS FURTHER ORDERED that, pursuant to RCW 21.20.110, Lonzo Archer shall pay a fine in the
13 amount of \$20,000. Such payment shall be: (a) made by United States postal money order, certified check,
14 bank cashier's check or bank money order; (b) made payable to the Washington State Treasurer; (c)
15 delivered by certified mail to Deborah R. Bortner, Securities Administrator, Department of Financial
16 Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover letter that
17 identifies Lonzo Archer as a Respondent under these proceedings, and the Order number of these
18 proceedings.

19 IT IS FURTHER ORDERED that, pursuant to RCW 21.20.110, Lonzo Archer shall pay
20 disgorgement in the amount of \$35,000. Such payment shall be: (a) made by United States postal money
21 order, certified check, bank cashier's check or bank money order; (b) made payable to the Washington State
22 Treasurer; (c) delivered by certified mail to Deborah R. Bortner, Securities Administrator, Department of

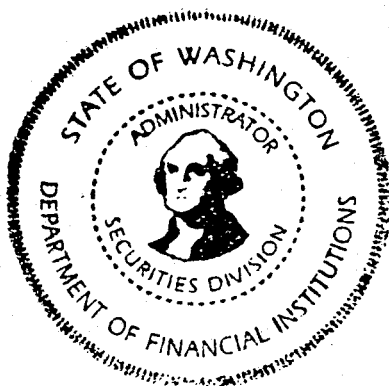
1 Financial Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover
2 letter that identifies Lonzo Archer as a Respondent under these proceedings, and the Order number of these
3 proceedings.

4 AUTHORITY AND PROCEDURE

5 This Order is entered pursuant to the provisions of RCW 21.20.110, and is subject to the
6 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Pursuant to RCW 21.20.110, a certified copy of
7 this order may be filed in Superior Court. If so filed, the clerk shall treat the order in the same manner as
8 a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like
9 manner.

10 DATED this 27th day of January, 2004.

11
12
13
14 Approved by:



15
16
17 Michael E. Stevenson
18 Michael E. Stevenson
19 Chief of Enforcement

20
21
22
23 Deborah R. Bortner
24 DEBORAH R. BORTNER
25 Securities Administrator

Presented by:

Chad C. Standifer
Chad C. Standifer
Staff Attorney